

VZCZCXRO5740
PP RUEHBZ RUEH DU RUEHJO RUEHMR RUEHRN
DE RUEHSB #0709/01 2341329
ZNR UUUUU ZZH
P 211329Z AUG 08
FM AMEMBASSY HARARE
TO RUEHC/SECSTATE WASHDC PRIORITY 3318
INFO RUCNSAD/SOUTHERN AF DEVELOPMENT COMMUNITY COLLECTIVE
RUEHDS/AMEMBASSY ADDIS ABABA 2338
RUEHBY/AMEMBASSY CANBERRA 1615
RHEHAAA/NSC WASHDC
RHMFISS/EUCOM POLAD VAIHINGEN GE
RUEHGV/USMISSION GENEVA 1487
RUZEJAA/JAC MOLESWORTH RAF MOLESWORTH UK
RHEFDIA/DIA WASHDC
RUEAIIA/CIA WASHDC

UNCLAS SECTION 01 OF 02 HARARE 000709

SENSITIVE
SIPDIS

DCHA/AA FOR MIKE HESS
AFR/AA FOR KATE ALMQUIST AND FRANKLIN MOORE
AFR/SA FOR ELOKEN, LDOBBINS, JKOLE
DCHA/OFDA FOR KLUU, ACONVERY, TDENYSENKO, LMTTHOMAS
DCHA/FFP FOR JBORNS, JDWORKEN, LPETERSON, ASINK

E.O. 12958: N/A
TAGS: [EAID](#) [PHUM](#) [PREF](#) [PGOV](#) [PREL](#) [ZI](#)
SUBJECT: MDC/DONORS MEET TO DISCUSS AID PRIORITIES

SUMMARY

¶1. (SBU) On August 15, at the request of the Movement for Democratic Change (MDC), MDC leadership met with major donors that support the World Bank's Multi-Donor Trust Fund (MDTF) to discuss post-transition economic recovery and development strategies. The meeting was an opportunity for the MDC and donors to hear from one another the most urgent sectoral needs in the period immediately following a political transition. Through donor consultation and internal planning, the MDC is preparing the groundwork to rapidly address humanitarian, economic stabilization, and development needs should the MDC achieve power as a result of the ongoing negotiations with ZANU-PF. MDC appears ready to quickly engage with the donor community, but does not yet fully understand the intricacies of donor aid modalities and coordination mechanisms. END SUMMARY.

MDC looks towards the transition period

¶2. (SBU) MDC leadership coordinated a meeting with the heads of donor agencies that support the MDTF on August 15. The all-day meeting provided an opportunity for the MDC to share its vision for immediate, recovery-oriented needs in a transition period. Eddie Cross, the MDC head of policy, and Mungai Lleniye, Acting Country Director of the World Bank, facilitated the meeting. Most of the MDC secretaries (shadow ministers) were in attendance and presented their specific sectoral needs. Overall, the MDC presentations were general in nature (not technical) and did not offer ideas that differ markedly from what donors are already thinking.

¶3. (SBU) Donors presented aid effectiveness principles (e.g., ownership, accountability, harmonization, managing for results, etc) and focused on how to most effectively manage aid. Donors urged the MDC to establish an office to coordinate donor assistance. The MDC stated that there would be a unit in the MOF to do this. Although one already exists, the MDC recognized that it needs to be strengthened considerably.

¶4. (SBU) The sectoral presentations mirrored the MDTF's planned Emergency and Economic Recovery Program, which the World Bank plans to develop over the next few months for presentation to donors and subsequent funding, when a transition period begins. The sectors discussed included:

(1) Economic stabilization - The MDC plans to implement a rigorous fiscal stabilization strategy within days of assuming control of the RBZ. It will immediately float the dollar, remove price controls, stabilize exchange rates, and eliminate subsidies. The MDC requested considerable social safety net support to counter negative effects of the above actions.

(2) Food security - The MDC wants to redesign food aid to overcome dependency. It stressed that the focus should be on production and that inputs such as seeds and fertilizers were critically important.

(3) Small-scale agriculture - The MDC stressed again the importance of agricultural inputs and the need to strengthen markets.

(4) Power system rehabilitation - The MDC stated that it did not need support in this sector, with the possible exception of technical assistance related to energy policy. Interestingly, the MDC said it would not privatize ZESA.

(5) Water system rehabilitation

(6) Health service recovery

(7) Education recovery

(8) Public financial management strengthening

(9) Parastatal Reform

15. (SBU) The MDC also stressed the immediate urgency of programs to address: psychiatric treatment for victims; reconciliation; assistance for more than one million returning refugees; reform of the security sector; and private sector development. It saw recovery programs commencing as soon as possible.

MDC Mayors Pledge Non-Partisan Agendas

HARARE 00000709 002 OF 002

16. (SBU) The following day, the MDC shadow ministers met with the MDC mayors from across the country to discuss how to use local resources, e.g., service delivery, to deal with urgent humanitarian needs at the community level. The meeting was significant in that it established a network of democratic local government officials who committed themselves to honesty, integrity, anti-corruption, and transparency in the conduct of council business. In addition, participants pledged to promote a non-partisan local government agenda and to unify community leaders, given that they are inheriting post-conflict localities. Mayors from Harare, Bulawayo, Gweru, Mutare, Victoria Falls, Kadoma, Kariba, and Masvingo were among those in attendance.

COMMENT

17. (SBU) The MDC is to be commended for reaching out to donors to better identify needs and priorities, and coordinate efforts. It is encouraging that local-level officials, who will have the best access to evaluate implementation of recovery efforts, are working together and in concert with MDC national-level leadership. Despite efforts to soften expectations, MDC leadership appears to believe aid will be immediately available once an agreement is reached, and in large sums. All this of course begs the question as to if and when the MDC will be in a position to direct the government and coordinate assistance. END COMMENT.

MCCEE